



October 2003

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The data provided in this bulletin is given solely as an information resource and does not imply endorsement by the U.S. Dept. of Commerce.

OZ ICT

Australian ICT Bulletin

U.S. Commercial Service, Australia

Welcome

To the Australian ICT Bulletin

This monthly publication contains useful business intelligence on the Australian IT market.

In this issue, you'll find information on:

- Standards Approvals in Oz
- Local Copyright Law and Software
- File-Swappers Face the Music
- and much, much more!

For further information on the articles in this publication or on any aspect of the Australian ICT market, please contact:

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www.buyusa.gov/australia/

What's Happening This Month at the Commercial Service

It has been a busy month for us here at the Commercial Service in Sydney. There has been the usual responding to U.S. clients emails etc, looking for information on the Australian market and help in identifying local partners and distributors.

The other day I met up with a U.S. vendor of access control equipment who is busy setting up an office in Australia. We had the usual briefing, finding out where they saw the markets of opportunity and growth projections for the next year. Along the way in the conversation, they mentioned that not only did the equipment connect in to the local electrical network, but that it also connected into the local telecommunications network. I asked if they had the required Standards approvals for the local market. *A Tick* to connect into the electrical network, and *C Tick* if apparatus connects into the local telecommunications network (these programs are regulated by the Australian Communication Authority - ACA). As a response to my question, the vendor looked at his local distributor and they both shrugged their shoulders. The vendor did inform me that the equipment had been tested to operate outside the U.S. - read Europe.

The issue of standards approval in Australia is one that vendors of electrical and telecommunications equipment should look at closely. That the equipment is tested to comply with European Standards, it does not mean that the goods will operate efficiently and safely in the Australian market.

Let's assume that the equipment is configured to operate on the local telecommunications and electrical networks. It is one thing that the equipment functions properly, but the goods also need comply with local Standards to ensure they are safe to use. The local agent/distributor/subsidiary will be liable for damages should a consumer injure themselves during operation of the equipment should the necessary Standards approvals not be carried out.

The correct way to address this issue is to get the equipment tested by authorized testing laboratories. There are a number of testing agencies in Australia (see further in the Bulletin for a list of contacts), and there are several in the U.S. that are authorized to carry out the work, and are recognized by Australian authorities.

In most cases, U.S. and international Standards are recognized in Australia, reducing the time and cost required to grant approval.

Typically, U.S. vendors entrust the approval process to the local agent/distributor or subsidiary. Once approval has been granted, the approval documentation and schematics for the equipment need to be physically held by the agent at all times. The one problem that may eventuate here arises if the U.S. vendor wants to terminate its relationship with the local agent. It is in the Australian agent's rights to walk away from the relationship with the copies of the Standards approvals, leaving the U.S. vendor to find a new agent and go through the process of obtaining Standards approval once again, wasting time and money.

U.S. vendors are encouraged to consider obtaining Australian Standards approval themselves for equipment that connects to electrical and/or telecommunications networks. That way, they are the legal owner of the documentation, and they don't risk losing time and money reapplying for approval due to a non-performing local distributor relationship.

On other subjects, we are about to start promoting our U.S.A. Pavilion at next year's CeBIT Australia, May 4-6, 2004. Stay tuned.

NSW Government Tenders

Expressions of Interest for Electronic Rostering Software for NSW Police Force

https://tenders.nsw.gov.au/commerce/shared/rftdetail.cfm?p_id=3007&p_criteria=0302098%20EOI

NSW Health Request for Tender for Electronic Health Record Project

<http://www.tenders.nsw.gov.au/health>

Did You Know?

VoIP is taking off with a number of companies and institutions converging their infrastructures to increase efficiencies, and provide more features to their telephony users. Leading local bank, Westpac has engaged Telstra to roll-out a VoIP solution across its offices and retail centers. Over 30,000 handsets at over 1,000 locations will be connected by VoIP. Partners on the project include Cisco, who is supplying its IP Telephony solution, and Broadsoft

Here We Go

Total Number of Broadband Users in Oz Taking Off

31 March 2002	122,800
30 June 2002	199,800
30 September 2002	258,100
31 December 2002	363,300
31 March 2003	423,600
30 June 2003	516,000

Most Common Flavor of Broadband at June 2003

xDSL	58 %
Cable	42 %

Source: Australian Consumer & Competition Commission

Did You Know ?

There are approximately 130 mainframe sites in the local market. The biggest of these belong to the big four banks, National Australia Bank, Westpac, ANZ, and Commonwealth Bank. Numbers of sites will decrease over the years.

Government to Attack Credit Card Fraud

Local State governments plan to outlaw the use of technology used to steal funds from credit card accounts. State attorneys-general are planning to draft uniform laws to combat the growing practice of credit card skimming. Credit card skimming occurs when a customer hands his/her credit card to a vendor, who unbeknown to the customer, swipes the card twice, once for a legitimate transaction, and once through a skimming device that reads the magnetic strip containing account details. The account details are then transferred to counterfeit cards that can be used like the original.

The credit card companies claim that skimming costs them approximately AU\$25 million a year. Visa has estimated that there has been a 300 percent rise in skimming in Australia since 2001.

The new State laws will give law enforcement authorities increased power to go after skimmers, as at present, there are no State laws in place prohibiting possession of skimming machines.

ISP Consolidation Continues in Oz

Perth-based ISP, iiNet has recently acquired another local ISP iHug. The transaction, reportedly worth US\$35 million, leaves the merged entity well placed to overtake OzEmail as Australia's third biggest ISP. iiNet will have over 200,000 subscribers once the deal is finalized, while OzEmail is estimated to have about 340,000. OzEmail is owned by MCI Worldcom.

Vendors Aim to Squash Non-Legitimate Channels

In last month's Bulletin, I wrote about parallel imports and some of the service-related issues that can arise when local distributors won't provide support on gray imports.

Another case has surfaced this time involving Korean-based memory vendor Kingmax, its local subsidiary Kingmax Australia, South-African-based reseller Rectron, and its local arm Rectron Electronics.

Instead of buying through the vendor's local subsidiary, Rectron Electronics has been sourcing Kingmax memory products through its parent company Rectron, presumably at a cheaper price than is available from Kingmax Australia. Problems have arisen when faulty modules have been returned to Kingmax Australia under warranty. In order to ensure that the brand name does not suffer in the channel, Kingmax Australia has up until now, honored the warranty even if the goods are parallel imports. However, it has recently suspended Rectron's authorized reseller status.

The issue of parallel imports will continue to cause channel unrest in the local market, and potentially, adversely affect vendor's reputations with consumers if support and service is not adequately provided.

Federal Government Pushes Anti Spam Bill

An anti-spam Bill is set to pass through Australian parliament soon to ban locally generated spam. The Bill will give the Australian Communications Authority (ACA), which already polices Internet content, the power to investigate Australian individuals and businesses that send Internet spam. The ACA will be able to issue warnings, seek warrants and issue injunctions to spammers. Given that over half of all spam in Australia originates from overseas, it is a wonder how much effect this will have on the quantity of spam we see in our inbox.

Update on Legal Action on Music Pirates

Regular readers of the Bulletin may recall I reported in the May 2003 edition that three local university students were arrested on criminal charges relating to online music piracy. This is a landmark case for the local market as it is the first time that criminal charges have been laid over music piracy.

Last month the three accused pleaded guilty to trading music online. The Australian Record Industry Association (ARIA) has been pushing for a jail sentence for the three, in an effort to demonstrate that file-swappers will be aggressively pursued through the courts and ultimately jailed.

The three will be sentenced next month, but already the presiding Magistrate has indicated that ARIA is taking its pursuit of the individuals too far.

ARIA claims that the three file-swappers have caused US\$30 million in lost sales for Warner, EMI, Sony, Universal, BMG and Festival Mushroom Music. It further claims that a decline in music sales in some categories is a result of file-swapping. For example, revenues from sales of CD singles (the format most easily replaced by online file-swapping), was down 24 percent on last year's figure.

Australian Competition & Consumer Commission Releases Findings on Local Telecoms Investment

The Australian Competition & Consumer Commission (ACCC) is about to release a new report on telecommunications infrastructure spending in the local market.

The report is based on responses from 52 carriers during 2001-2002, and found that US\$1.7 billion was invested in Australian telecommunications infrastructure in the above period. Investment in local access network infrastructure was US\$0.8 billion for the same period, with Telstra being the major investor in this technology contributing US\$0.4 billion.

The report also found that new carriers had yet to make substantial inroads into pegging back Telstra's subscriber base which amounts to 85 percent of subscriber connections across all local access network types. Between them, Telstra and Singtel Optus held about 99 percent of all local access network connections.

The report also highlighted that all carriers continue to invest heavily in their mobile networks, with over US\$440 million being spent on GSM and CDMA networks over 2001-2002.

Investment in xDSL infrastructure totaled more than US\$80 million in 2001-2002.

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If you would like to directly receive the OZ IT Bulletin please send e-mail to duncan.archibald@mail.doc.gov

Cebit Australia 2004

Cebit is the premier IT event in Australia. IT and telecommunications products and services will be on display at next year's event. For information on exhibiting in the USA Pavilion contact duncan.archibald@mail.doc.gov

Date: May 4-6, 2004

Location: Sydney Exhibition Centre

Organizers: Hannover Fairs

Frequency: annual

Tel: 61 2 9280 3400

Fax: 61 2 9280 1977

www.cebit.com.au

Trade Shows

Australian Mobile Telecommunications Association Conference

This Conference will discuss the future of the local mobile telecommunications industry and include key notes from Hutchison, Optus, and Federal Government executives.

Date: September, 2004

Location: Pyrmont Room, Sydney Convention & Exhibition Centre

Organizers: Association & Communications Events

Frequency: Annual

Tel: 61 2 9922 5609

Fax: 61 2 9922 5844

Web site: <http://www.acevents.com.au/amta>

Local Organizations that Provide Compliance Testing Services

Australian Communications Authority

Radiocommunications Compliance Laboratory
Level 15

200 Queen Street

MELBOURNE VIC 8010

CONTACT: Mr J Karamalakis

PHONE: (03) 9963 6826 FAX: (03) 9963 6989

MOBILE:

EMAIL: jim.karamalakis@aca.gov.au

Testing & Certification Australia

High Power Testing Laboratory

18 Mars Road

LANE COVE NSW 2066

CONTACT: Mr P J Ryan

PHONE: (02) 9410 5201 FAX: (02) 9428 2645

MOBILE:

EMAIL: pryan@energy.com.au

SPI PowerNet Pty Ltd

Technical Services Division

Technical Services Testing Laboratory

308 Hyde Street

YARRAVILLE VIC 3013

CONTACT: Mr A Dyke

PHONE: (03) 9688 1400 FAX: (03) 9688 1414

MOBILE:

EMAIL: adyke@spipowernet.com.au

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PHONE: (07) 3407 5460 FAX: (07) 3407 5983

MOBILE: 0404 002 843

EMAIL: davidturner@energex.com.au

FACILITIES: Public testing service

Attention: We would like to know if Oz IT is useful to you. If information from this newsletter leads to a sale of signing of an agreement, please let us know!

Local Distys of Electronic Components

Adilam Electronics Pty Ltd

PO Box 664
Bayswater VIC 3153
Tel: 61 3 9737 4900
Fax: 61 3 9737 4999

www.adilam.com.au

Mr Keith Anderson, Managing Director

Keith.a@adilam.com.au

Adilam is a leading broadline electronics components distributor with more than 20 years experience. Companies represented include TDK, Harting, Xicor, Weco, ISD, TelCom Semiconductor, Inc and Rectron.

Mayer Krieg Pty Ltd

(division of Hagemeyer Asia Pacific)

50 Mary Street
Unley SA 5061
Tel: 61 8 8291 3222
Fax 61 8 8291 3200

www.mayerkrieg.com.au

Walter Bruenig, Managing, Embedded Components

Distributors of wide range of electronic components including passive and power products, embedded products, TFTs and motors, and monitors.

Local Distributors of Electronic Components

[Farnell Electronic Components](#)

[DCS Electronics](#)

[Allied Data Systems](#)

[DGE Systems](#)

[Advanced Systems](#)

Want contact details for the principals of the abovementioned brokers of refurbished networking equipment?

No Problem!

Contact duncan.archibald@mail.doc.gov

Please let us know if these vendors are of use to you, and especially if it leads to an export sale

Telecommunications Opportunity!

A local company that has the Australian rights to telecommunications technology allowing use of the power lines and power sockets to **access broadband internet and** make telephone calls has contacted us recently. The company is looking for a U.S. investor or company that would be interested in **using** the technology **to enter the Australian market**. **Due to its low cost and the availability of discounted backhaul from failed telcos, this could be a chance for a new entrant to claim a significant market share**

For more information contact
duncan.archibald@mail.doc.gov

Bulletin Board

Local Companies Looking for U.S. Technologies to Distribute in Oz

If you have products that may be of interest to these local companies, you can contact them directly. Alternatively, we can initiate discussions with these companies on your behalf. Just contact us, and we will provide the introductions. If you contact them directly, all we ask is that if you get success with these companies, in terms of distribution of your products, could you kindly let us know!

Wireless Products

Ominpoint Telecommunications Pty Ltd

contact Kevin Howard at
bongobong@smartchat.net.au

Ausdome Pty Ltd – contact L.C. Thomas at
lc@ausdome.com

Powercon Services Pty Ltd – contact David Knowles at powerconservices@bigpond.com

General IT Products

Xitron Pty Ltd - Contact Richard Tibbitts at
rtibbitts@xitron.com

m.strat - Contact William Masson at
wmas@mstrat.com.au

IPP Consultancy Services Pty Ltd - Contact

Subba Rao Vaigonda at
subbarao@ippcs.com.au

Storage Equipment

Red Enterprise Pty Ltd – contact Howard Kaplan
at howard.Kaplan@redenterprise.com

Security Products

CNL Technologies Pty Ltd – contact Jason Romaini at Jason.romain@cnltech.com.au

General Computer Spare Parts

Australian company Tech-Precision is looking to find brokers of computer spare parts (eg: Epson printer parts, Wyse terminal keyboard parts) to source products.

Tech-Precision Pty Ltd – contact David Shelton at
davids@techprecision.com.au

Local Consultant Offers Services to U.S. Companies

Local IT consulting company Baseit (www.baseit.com.au) can help U.S. vendors with their expansion into the local market. Some of the services Baseit provides included business development and marketing, market research and survey services. Areas of expertise include middleware, database tools, business intelligence and asst management. For more information please contact Andrew Olsen, Director on andrewo@baseit.com.au



U.S. COMMERCIAL SERVICE

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Sydney NSW 2000 AUSTRALIA**

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Fax: 61 2 9221.0573
www.csaustralia.org**

Want to enter the Australian ICT market? Looking for an inexpensive way to identify partners, end-users and resellers?

Why not take out space at next year's CeBIT Australia, May 4-6 at the Sydney Exhibition Space in the U.S. Department of Commerce's U.S.A. Pavilion.

Last year, the three-day event attracted more than 20,000 qualified buyers, systems integrators, resellers and IT department decision makers. Feedback from the show has reinforced CeBIT Australia as the predominant ICT trade fair in Asia Pacific.

By exhibiting in the U.S.A. Pavilion your products and solutions will be assured of drawing the maximum impact with attendees.

The U.S. Department of Commerce in Australia will also organize appointments for you to meet with qualified potential partners in the local market. We will also ensure that you maximize your trip by being invited to a series of the best networking events that will be organized by CeBIT Australia specifically for the show.

Various floor sizes are available on a first come basis. To find out more about the biggest ICT trade fair on the Australian calendar, and how to exhibit in the U.S. Department of Commerce's U.S.A. Pavilion please contact either Brad Anderson on brad.Anderson@mail.doc.gov or on Tel: 503 326 3003 or Duncan Archibald on duncan.archibald@mail.doc.gov or on Tel: 61 2 9373 9212.

For more information on CeBIT Australia please go to www.cebit.com.au

We look forward to having you on board for this exciting event.